

COMMONWEALTH OF MASSACHUSETTS
Department of Telecommunications and Energy

**RESPONSE OF THE ATTORNEY GENERAL TO THE
FIRST SET OF INFORMATION REQUESTS FROM THE
BAY STATE GAS COMPANY
D.T.E. 05-27**

Dated: August 1, 2005

Responsible Party: David Effron

BSG-AG-1-3 Please refer to the Effron Testimony at page 11, lines 1-2. Please state the numerical reduction to the Company's authorized return proposed by Mr. Effron to recognize the reduction in risk attributed to the PPM.

Response: Mr. Effron is not recommending a specific basis point reduction to the return on equity to recognize the reduction in risk attributed to the PPM.